

PRICING

3/5

- Average Premium and Discount retail pack prices remained stable. Discount prices, however, fluctuated in more stores than in previous weeks.
- In C-Stores, both Marlboro and Lowest Discount pack prices have averaged \$1.92 and \$1.34, respectively, since early December.
 - Week to week the resulting price gap decreased -1¢ to 57¢ or 42.5%.
 - The lowest gap is found in Region 1 (33%), the highest in Region 5 (48%).
- In Supermarkets, both Marlboro and Lowest Discount carton prices remained stable at \$16.38 and \$11.75. The resulting price gap remained at \$4.65 or 40%.
- 99¢ incidence has held between 13-14% for the past 8 weeks. Incidence decreased in regions 2 and 5 and was unchanged in regions 1,3, and 4.
- Basic's price gap with the Lowest Discount brand is more than 10¢ in 65% of C-Stores, comparable to the prior week. The average \$ disadvantage in these stores decreased -2¢ to 29¢.

202365610

While Discount price movement increased week to week, average prices remained unchanged as stores both increased and decreased prices.

	% of C-stores		
	<u>Unchanged</u>	<u>Increased</u>	<u>Decreased</u>
Marlboro	94%	2%	4%
Basic	95%	3%	2%
Doral	84%	7%	9%
GPC	87%	8%	5%
RJR P/L	89%	5%	6%
Lowest Discount	85%	9%	6%
Marlboro Gap *	80%	8%	12%
Basic Gap **	82%	8%	10%

* Marlboro vs. Lowest Discount brand in same store.

** Basic vs. Lowest Discount brand in same store.

SOURCE: NIELSEN PRICING AUDIT

202365611

Premium and Lowest Discount prices remained stable in both C-stores and Supermarkets.

**C-STORE
PACKS**

	<u>2/12</u>	<u>2/19</u>	<u>2/26</u>	<u>3/5</u>	<u>Change Prior Week</u>
Marlboro (net)	\$1.91	\$1.91	\$1.92	\$1.91	(\$0.01)
Lowest Discount	1.35	1.34	1.34	1.34	\$0.00
\$ Gap	0.56	0.57	0.58	0.57	(\$0.01)
% Gap	41.5%	42.5%	43.3%	42.5%	-0.7%

**SUPERMARKET
CARTONS**

Marlboro (net)	\$16.35	\$16.33	\$16.36	\$16.38	\$0.02
Lowest Discount	11.76	11.66	11.73	11.73	\$0.00
\$ Gap	4.59	4.67	4.63	4.65	\$0.02
% Gap	39.0%	40.1%	39.5%	39.6%	0.2%

SOURCE: NIELSEN PRICING AUDIT

202656612

Marlboro's net pack price gap with Lowest Discount decreased in regions 2, 3, and 5 and remained unchanged in all other geographies.

	3/5				Change
	<u>Marlboro</u>	<u>Lowest Discount</u>	<u>\$ GAP</u>	<u>% GAP</u>	<u>From 2/26</u>
NATIONAL	1.91	1.34	\$0.57	42.5%	(\$0.01)
R1	2.09	1.57	\$0.52	33.1%	\$0.00
R2	1.79	1.22	\$0.57	46.7%	(\$0.01)
R3	1.91	1.33	\$0.58	43.6%	\$0.00
R4	1.79	1.27	\$0.52	40.9%	(\$0.01)
R5	2.07	1.40	\$0.67	47.9%	(\$0.03)

SOURCE: NIELSEN PRICING AUDIT

202365613

Nationally, ~~≤99¢~~ incidence has remained at 13-14% since mid-December.

		Change vs. <u>1 WAGO</u>	Change vs. <u>4 WAGO</u>	Weighted Avg. <u>State Tax</u>
<u>NATIONAL</u>	<u>3/5</u> 13.2%	-0.9	-0.2	\$0.29
R1	0.0%	0.0	-2.8	\$0.43
R2	23.1%	-2.2	-4.0	\$0.18
R3	14.1%	0.0	4.9	\$0.31
R4	17.0%	0.0	-1.4	\$0.26
R5	7.7%	-1.7	4.7	\$0.33

NOTE: Incidence has been restated to reflect all Discount brands instead of only Deep Discount brands.

SOURCE: NIELSEN PRICING AUDIT

2023656614

Across all common C-stores, Basic's NET average pack price gap with competitive brands decreased.

	<u>2/12</u>	<u>2/19</u>	<u>2/26</u>	<u>3/5</u>	Change vs. <u>Prior Week</u>
Basic	\$1.53	\$1.53	\$1.53	\$1.53	\$0.00
Same Store Gaps					
GPC	0.12	0.12	0.12	0.11	-0.01
Monarch	0.06	0.06	0.06	0.05	-0.01
Lowest Discount	0.19	0.19	0.20	0.19	-0.01

SOURCE: NIELSEN PRICING AUDIT

202365615

The number of stores where Basic's pack price > Lowest Discount remained stable while the average \$ price disadvantage decreased -2¢ to 29¢.

Basic vs. Lowest Discount in C-stores

	<u>2/12</u>	<u>2/19</u>	<u>2/26</u>	<u>3/5</u>
# SAME STORES	329	328	323	320
<u>BASIC > LOWEST DISC. BY 10¢*</u>				
# STORES	198	198	207	209
% STORES	60%	60%	64%	65%
<u>PRICE DISADVANTAGE *</u>				
AVG. \$	\$0.30	\$0.30	\$0.31	\$0.29
MAXIMUM	\$0.70	\$0.70	\$0.86	\$0.60
MINIMUM	\$0.11	\$0.11	\$0.11	\$0.11

* All comparisons are based on stores with both brands in distribution.

** Price disadvantage ONLY in stores where Basic's price > Lowest Discount by more than 10¢.

SOURCE: NIELSEN PRICING PANEL

2023659616

The number of stores where Basic's pack price > GPC by more than 10¢ increased while the average \$ price disadvantage decreased -2¢ to 24¢.

Basic vs. GPC in C-stores

	<u>2/12</u>	<u>2/19</u>	<u>2/26</u>	<u>3/5</u>
# SAME STORES	208	206	212	205
<u>BASIC > GPC by 10¢*</u>				
# STORES	92	84	88	89
% STORES	44%	41%	42%	43%
<u>PRICE DISADVANTAGE *</u>				
AVG. \$	\$0.25	\$0.25	\$0.26	\$0.24
MAXIMUM	\$0.68	\$0.68	\$0.70	\$0.50
MINIMUM	\$0.11	\$0.11	\$0.11	\$0.14

* All comparisons are based on stores with both brands in distribution.

** Price disadvantage ONLY in stores where Basic's price > GPC by more than 10¢.

SOURCE: NIELSEN PRICING PANEL

202365617